DOCUMENT RESUME

ED 190 694 UD 020 770

AUTHOR Goldman, Marshall A.
TITLE A Functional Analysis of the 1978-1979 New York City Board of Education Budget.
INSTITUTION New York City Board of Education, Brooklyn, N.Y.
PUB DATE May 79
NOTE 40p.: For a related document see ED 181 158. Not available in paper copy due to small print in tables. Report prepared by the Office of Budget Operations and Review.

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS Adult Education: *Board of Education Policy: *Budgets: *Costs: Educational Administration: Elementary Secondary Education: Expenditure Per Student: Expenditures: Special Education: Statistical Data
IDENTIFIERS *New York (New York)

ABSTRACT

The purpose of this report is to present a brief, understandable overview of the New York City Board of Education budget for 1978-79. Toward this end, the expense budget has been organized into eight major functional areas: direct instructional programs, indirect instructional programs, ancillary pupil support programs, school buildings, city and districtwide administration, miscellaneous expenses, debt service, and non-public and adult education. The cost components of each of these areas is explained and data are presented in tabular and textual form. Also indicated is the distribution of costs for different educational levels (elementary, junior high, high school, and special education). (Author/GC)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED190694

A FUNCTIONAL ANALYSIS OF THE 1978-1979 NEW YORK CITY BOARD OF EDUCATION BUDGET

Frank J. Macchiarola, Chancellor

Richard F. Halverson, Deputy Chancellor

OFFICE OF BUDGET OPERATIONS AND REVIEW

Prepared by **Marshall A. Goldman**

under the direction of

Dale K. McArthur, Director (Acting)

MAY 1979

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

Ron Edmonds
NYC Bd of Ed

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

ED020770

NEW YORK CITY BOARD OF EDUCATION
1978-1979 BUDGET HIGHLIGHTS

The Board of Education will spend $ 2,798,074,000 delivering services to 997,871 public school pupils, and an additional $ 101,182,000 to non-public and adult education.

SELECTED STATISTICAL INFORMATION-PUBLIC SCHOOL PUPILS

FUNCTIONAL AREA	BUDGET (M = 1,000,000)	AVERAGE COST PER PUPIL	PERCENT OF TOTAL BUDGET
Direct Instructional Programs (Classroom Instruction, School and Field Supervision)	$ 1,767 M	$ 1,771	61 %
Indirect Instructional Programs (Counselors, Attendance, Psychologists, etc.)	$ 102 M	$ 102	3½ %
Ancillary Pupil Support Programs (Security, Transportation, Lunch,etc.)	$ 275 M	$ 275	9½ %
School Buildings (Custodial, Maintenance, Fuel, etc.)	$ 233 M	$ 233	8 %
City and Districtwide Administration (Chancellor, Personnel, Business Administration, District Superintendents, etc.)	$ 91 M	$ 91	3 %
Miscellaneous Expenses (Unemployment Insurance, Collective Bargaining Reserve etc.)	$ 61 M	$ 61	2 %
Debt Service	$ 269 M	$ 270	9½ %

INSTRUCTIONAL/ ORGANIZATIONAL LEVEL	BUDGET		AVERAGE PER PUPIL COST	PERCENT OF TOTAL REGISTER
	AMOUNT (M = 1,000,000)	PERCENT OF TOTAL		
Elementary	$ 1,144 M	41 %	$ 2,562	45 %
Junior High	$ 596 M	21 %	$ 2,965	20 %
High School	$ 765 M	27 %	$ 2,515	30 %
Special Education	$ 293 M	11 %	$ 6,333	5 %

Preface

This report presents the 1978-1979 budget of the Board of Education in the same functional area format initially presented last fiscal year in "A Functional Analysis of the 1977-1978 New York City Board of Education Budget," October 1977. That was the first attempt to consolidate over 1,000 computer printout pages detailing the distribution of nearly $3 billion into eight concise functional areas. The intention was to transform an elusive budget into something both tangible and comprehensible. Based on the favorable response received, I believe this goal has been attained and a functional analysis for 1978-1979 will be of similar value.

The analysis of the 1978-1979 budget described in this document is more refined than the previous year's. The experience learned from the 1977-1978 study has enabled us to eliminate many of the stumbling blocks for this second go-around. The use of data processing has allowed for analysis in greater depth, making for better accuracy and less need for estimations.

The distribution of the reimbursable budget (a printout of nearly 2,000 pages) between the functional areas and their cost components has been improved. I expect a greater refinement of this category next year.

In addition to the greater detail of reimbursable funds, there are several other differences between the 1977-1978 and 1978-1979 functional analyses:

- Elementary and junior high are now presented as separate instructional/organizational levels.
- Special education pupils attending "contract" schools are not included in the 1978-1979 register; expenditures for "contract" schools are moved from Direct Instructional Programs to Non-Public and Adult Education, Payments to Other School Districts.
- The costs of retroactive payments of salary increases for fiscal years prior to the current year, costs for judgements and claims, costs for terminal leave and pay (payment to retiring employees for unused vacation and sick time) are segregated and placed into Miscellaneous Expenses.
- Personnel and the Board of Examiners now appear as separate cost components.
- The 1977-1978 analysis is based on the Adopted Budget for the beginning of the year; for 1978-1979 a midyear, March 23, condition is used.
- In 1977-1978 an estimated October register was used; in 1978-1979 the actual October register is utilized.

Although the analysis presented in this report pertains to fiscal year 1978-1979, many readers will, understandably, wish to compare with the 1977-1978 functional analysis, In this endeavor, the differences described above along with the following caveat should be kept in mind: between the two fiscal years costs for salaries, benefits (e.g. social security), supplies and equipment have all increased. The public school register has declined. Workloads have changed - - e.g. the number of teaching periods in junior high decreased, thereby requiring more teachers per class.

Comparison of dollars per pupil will show whether expenditures per pupil have gone up or down. It will not, however, reveal a change in the quantity or quality of the services provided to students.

The heart of any analysis lies in the definitions used. If ten people were asked to define "direct instructional services," they would more than likely produce ten different definitions. I firmly believe the definitions used in this report are reasonable, judicious and consistently applied. I invite close inspection of this document and welcome your comments.

* * * * * * *

This report was prepared by Marshall Goldman. The charts, exhibits and cover are the handiwork of Jacqueline Wong Posner. Invaluable editing assistance was provided by Miriam Rosen Olanoff and Dorothy Levy. Inell Armstrong and Sally Biller typed the text and all its many revisions. Special thanks must be given to Sally for her unrelenting perseverance in typing the tables.

I appreciate the efforts of these personnel. I, however, take full responsibility for the facts, figures and analyses that follow.

DALE K. McARTHUR, Director (Acting)

TABLE OF CONTENTS

		Page
New York City Board of Education 1978-1979 Budget Highlights.....		ii
Preface.....		iii
List of Exhibits.....		vi
Section I:	An Overview of the 1978-1979 Budget.....	1
	- Fuctional Areas and Cost Components.....	1
	- Sources of Funding.....	5
	- School Enrollment and Per Pupil Expenditures...	10
Section II:	Focus on Total Expenditures for Public School Pupils.	15
Section III:	Focus on Direct Instructional Programs.....	19
Section IV:	Focus on City and Districtwide Administration.....	23
Appendix:	Explanation of Functional Areas and Cost Components..	25

LIST OF EXHIBITS

		Page
Exhibit 1:	Board of Education 1978-1979 Budget by Major Functional Area.	3
Exhibit 2:	Where Each Education Dollar Goes, 1978-1979.	4
Exhibit 3:	Board of Education Budget, Functional Areas and Cost Components.	6
Exhibit 4:	Board of Education Budget: 1978-1979, by Funding and Functional Area.	8
Exhibit 5:	Board of Education Budget: 1978-1979, Percent Distribution by Funding and Functional Area. .	9
Exhibit 6:	Board of Education 1978-1979 Budget, by Organizational Level	12
Exhibit 7:	Per Pupil Cost by Organizational Level, 1978-1979.	13
Exhibit 8:	Explanation of Functional Areas and Cost Components	26
Exhibit 9:	Board of Education Budget: 1978-1979, Functional Area, Funding Source, and Organizational Level	30

SECTION I

AN OVERVIEW OF THE 1978-1979 BUDGET

The New York City Board of Education's Budget reflects the priorities set by the Board of Education, the Mayor, the Board of Estimate and the City Council. The budget document, therefore, is a useful instrument for identifying how much will be spent, where it will be spent, and for what purpose.

The analysis presented in this report is based on a March condition. The advantage of using a midyear condition, such as March, is that the budget has been continually adjusted to reflect what has happened. Additionally, the budget planners have had enough feedback information to modify the budget to show where the expenditures for the balance of the year are expected to occur.

Throughout this report the terms "budget," "expenditure" and "cost" are used interchangeably. The total costs or expenditures cannot be known until the completion of the fiscal year. The budget represents the planned or expected expenditures.

Fuctional Areas and Cost Components

The purpose of this report is to present a brief, understandable overview of the Board of Education's budget for 1978-1979. Towards this end, the expense budget -- a computer printout of nearly 2,400 pages -- has been organized into eight major functional areas.

- Direct Instructional Programs
- Indirect Instructional Programs
- Ancillary Pupil Support Programs
- School Buildings
- City and Districtwide Administration
- Miscellaneous Expenses
- Debt Service
- Non-Public and Adult Education

In its simplest form, the budget for 1978-1979 is reproduced in Exhibit 1, "Board of Education 1978-1979 Budget by Major Functional Area." How much of each dollar for education goes into the functional areas is displayed in Exhibit 2, "Where Each Educational Dollar Goes."

Each of the areas listed in the budget is associated with a major educational, administrative, operational, or financial function. And, within each of these areas, there are a number of discrete, though interrelated, cost components that describe in more detail what is included in the particular function. For example, the functional area "direct instructional programs" can be broken down into the following components:

- Classroom Instruction
  - . Elementary
  - . Junior High
  - . High Schools
  - . Special Education

EXHIBIT 1

BOARD OF EDUCATION 1978-1979 BUDGET BY MAJOR FUNCTIONAL AREA

	FUNCTIONAL AREA	1978-1979 BUDGET * AMOUNT	PERCENT
I.	Direct Instructional Programs	$ 1,767,017,000	61.0 %
II.	Indirect Instructional Programs	$ 102,191,000	3.5 %
III.	Ancillary Pupil Support Programs	$ 274,473,000	9.5 %
IV.	School Buildings	$ 232,942,000	8.0 %
V.	City and Districtwide Administration	$ 90,965,000	3.1 %
VI.	Miscellaneous Expenses	$ 61,043,000	2.1 %
VII.	Debt Service	$ 269,443,000	9.3 %
	Sub-Total: Budget for Public School Students	$ 2,798,074,000	96.5 %
VIII.	Non-Public and Adult Education	$ 101,182,000	3.5 %
	TOTAL	$ 2,899,256,000	100.0 %

* The 1978-1979 budget includes all approved and pending modifications through March 23, 1979. Figures rounded to nearest $ 1,000.

EXHIBIT 2

WHERE EACH EDUCATION DOLLAR GOES
1978-1979

- School Supervision
    - Elementary
    - Junior High
    - High Schools
    - Special Education
- Field Supervision
    - Elementary
    - Junior High
    - High Schools
    - Special Education

In other words, the functional area "direct instructional programs" is made up of three main cost components: "classroom instruction" (services provided by teachers, paraprofessionals and aides), "school supervision" (services provided by principals and assistant principals), and field support (field services provided by grade or subject area supervisors). Further, each of the cost components can be subdivided according to the four instructional/organizational levels within the school system: "elementary," "junior high," "high schools" and "special education." For a complete listing of the various cost components contained within each of the eight functional areas, see Exhibit 3. Definitions of the functional areas and their cost components are given in the Appendix, "Explanation of Functional Areas and Cost Components."

Sources of Funding

In addition to functional areas and cost components, the budget has also been organized according to where the funds originate. The school system has two basic sources of revenue, "general funds" and "reimbursable funds."

EXHIBIT 3

BOARD OF EDUCATION BUDGET
FUNCTIONAL AREAS AND COST COMPONENTS

I. DIRECT INSTRUCTIONAL PROGRAMS
- A. Classroom Instruction
  - – Elementary
  - – Junior High
  - – High Schools
  - – Special Education
- B. School Supervision
  - – Elementary
  - – Junior High
  - – High Schools
  - – Special Education
- C. Field Supervision
  - – Elementary
  - – Junior High
  - – High Schools
  - – Special Education

II. INDIRECT INSTRUCTIONAL PROGRAMS
- A. Pupil Personnel Services
  - – Attendance
    - . Field Service
    - . Administration/Supervision
  - – Guidance and Counseling
    - . Elementary
    - . Junior High
    - . High Schools
  - – Social and Psychological
  - – Drug Abuse Program
  - – Administration
- B. Planning, Testing, Research and Development Services
  - – Educational Performance and Accountability
  - – Educational Evaluation
  - – Education Planning and Support
  - – Guidance Planning

III. ANCILLARY PUPIL SUPPORT PROGRAMS
- A. School Safety and Security
  - – Elementary
  - – Junior High
  - – High Schools
  - – Special Education
  - – Field Supervision
  - – Administration/Supervision
- B. Pupil Transportation
  - – Elementary
  - – Junior High
  - – High Schools
  - – Special Education
  - – Administration/Supervision
- C. School Lunch
  - – Elementary
  - – Junior High
  - – High Schools
  - – Special Education
  - – Administration/Supervision
  - – Summer Feed and Nutrition Program
- D. Breakfast Program
  - – Elementary
  - – Junior High
  - – High Schools
  - – Special Education

IV. SCHOOL BUILDINGS
- A. Central and Field Administration and Supervision
- B. Planning, Design, and Renovation
  - – Field Supervision
  - – Administration/Supervision
- C. Operation and Maintenance
  - – Custodial Service
    - . Elementary
    - . Junior High
    - . High Schools
    - . Special Education
    - . Other Buildings
    - . Field Supervision
  - – Maintenance and Repair
    - . Field Service
    - . Field Supervision
    - . Administration/Supervision
  - – Leasing and Rentals
    - . Elementary
    - . Junior High
    - . High Schools
    - . Special Education
    - . Other
  - – Heat, Light, and Power
    - . Coal and Oil
    - . Electricity and Steam Heat

V. CITY AND DISTRICTWIDE ADMINISTRATION
- A. Overall Administration
  - – Board of Education
  - – General Administration
  - – Personnel
  - – Board of Examiners
  - – Community School District Affairs
  - – Business Administration
  - – Reimbursable Offices
- B. Instructional Administration/Supervision
  - – District Office
  - – High School Office
  - – Special Education Office

VI. MISCELLANEOUS EXPENSES
- A. Sabbaticals, Leave in Lieu and Terminal Pay
- B. Unemployment and Compensation
- C. Collective Bargaining Reserves
- D. Back Pay for Prior Years
- E. Miscellaneous Costs

VII. DEBT SERVICE

VIII. NON-PUBLIC AND ADULT EDUCATION
- A. Instructional Services
- B. Non-Instructional Services
- C. Fashion Institute of Technology
- D. Payments ot Other School Districts
- E. Adult Education

- General funds refer to revenue from city tax levy, a small portion of city capital funds transferred to the Board's expense budget, state formula aid, funds from general state revenue sharing, and a few types of federal aid (e.g. impact aid and school lunch subsidies).

- Reimbursable funds refer primarily to revenue received from the federal government under programs such as ESEA Title I, Emergency School Assistance Act (ESAA), and the Comprehensive Employment Training Act (CETA), etc. Also included but in small amounts, are certain types of grants and fees from other institutions and special purpose aid from the state.

Though there are some minor exceptions, general funds are used to meet the school system's basic operating expenses while reimbursable funds must be applied to support specific categorical programs.

General funds account for such a major portion (nearly 90% in 1978-1979) of the school system's total budget that it is useful to subdivide this revenue source into two major expenditure categories: 1) personal services and other than personal services; 2) pensions and fringes.

- Personal services and other than personal services (PS/OTPS) refer to direct salaries for personnel and expenditures for equipment, supplies, books, rentals, contractual services, etc.

- Pensions and fringes refer to the contributions that the Board makes to pensions, social security, health and welfare insurance.

Of all the funds at the school system's disposal in 1978-1979, 70% is general fund personal and other than personal service, 20% is general fund pensions and fringes and the remaining 10% is reimbursable funds. Exhibits 4 and 5 show the dollar and percent figures of the Board of Education's budget by funding source and expenditure categories.

EXHIBIT 4

BOARD OF EDUCATION BUDGET: 1978-1979*
BY FUNDING AND FUNCTIONAL AREA

FUNCTIONAL AREA	GENERAL FUNDS: NET PS AND OTPS	GENERAL FUNDS: PENSION & FRINGES	GENERAL FUNDS: SUB-TOTAL	REIMBURSABLE FUNDS	TOTAL BUDGET: AMOUNT	TOTAL BUDGET: PERCENT
I. DIRECT INSTRUCTIONAL PROGRAMS	$1,096,990,000	$475,045,000	$1,572,035,000	$194,982,000	$1,767,017,000	61.0%
Classroom Instruction	959,488,000	414,370,000	1,373,858,000	189,526,000	1,565,384,000	53.9
School Supervision and Support	132,883,000	58,705,000	191,588,000	1,351,000	192,939,000	6.7
Field Supervision	4,619,000	1,970,000	6,589,000	4,105,000	10,694,000	0.4
II. INDIRECT INSTRUCTIONAL PROGRAMS	$ 56,453,000	$ 22,925,000	$ 79,378,000	$ 22,813,000	$ 102,191,000	3.5%
Pupil Personnel Services	47,578,000	20,703,000	68,278,000	18,470,000	86,748,000	3.0
Planning, Testing, Research and Development Services	8,878,000	2,222,000	11,100,000	4,343,000	15,443,000	0.5
III. ANCILLARY PUPIL SUPPORT PROGRAMS	$ 235,282,000	$ 13,445,000	$ 248,727,000	$ 25,746,000	$ 274,473,000	9.5%
School Safety and Security	7,627,000	1,481,000	9,108,000	6,917,000	16,025,000	0.6
Pupil Transportation	123,369,000	275,000	123,644,000	63,000	123,707,000	4.3
School Lunch	104,286,000	11,689,000	115,975,000	4,918,000	120,893,000	4.2
Breakfast Program	0	0	0	13,848,000	13,848,000	0.4
IV. SCHOOL BUILDINGS	$ 208,344,000	$ 24,598,000	$ 232,942,000	$ 0	$ 232,942,000	8.0%
Central and Field Administration and Supervision	3,489,000	776,000	4,265,000	0	4,265,000	0.1
Planning, Design, Renovation and Construction	6,793,000	1,881,000	8,674,000	0	8,674,000	0.3
Operation and Maintenance	198,062,000	21,941,000	220,003,000	0	220,003,000	7.6
• Custodial Service	106,799,000	17,245,000	124,044,000	0	124,044,000	4.3
• Maintenance and Repair	31,217,000	4,696,000	35,913,000	0	35,913,000	1.2
• Leasing and Rentals	13,845,000	0	13,845,000	0	13,845,000	0.5
• Heat, Light and Power	46,201,000	0	46,201,000	0	46,201,000	1.6
V. CITY AND DISTRICTWIDE ADMINISTRATION	$ 51,229,000	$ 14,550,000	$ 65,779,000	$ 25,186,000	$ 90,965,000	3.1%
Overall Administration	29,965,000	7,740,000	37,705,000	16,481,000	54,186,000	1.8
Instructional Administration/ Supervision	21,264,000	6,810,000	28,074,000	8,705,000	36,779,000	1.3
VI. MISCELLANEOUS EXPENSES	$ 49,123,000	$ 11,920,000	$ 61,043,000	$ 0	$ 61,043,000	2.1%
VII. DEBT SERVICE	$ 269,443,000	$ 0	$ 269,443,000	$ 0	$ 269,443,000	9.3%
SUB-TOTAL: BUDGET FOR PUBLIC SCHOOL PUPILS	$1,966,864,000	$562,483,000	$2,529,347,000	$268,727,000	$2,798,074,000	96.5%
VIII. NON-PUBLIC AND ADULT EDUCATION	$ 69,076,000	$ 793,000	$ 69,869,000	$ 31,313,000	$ 101,182,000	3.5%
TOTAL	$2,035,940,000	$563,276,000	$2,599,216,000	$300,040,000	$2,899,256,000	100.0%

*The 1978-1979 budget includes all approved and pending modifications through March 23, 1979.
Amounts are rounded to the nearest $1,000.

EXHIBIT 5

BOARD OF EDUCATION BUDGET: 1978-1979*
PERCENT DISTRIBUTION OF FUNDING BY FUNCTIONAL AREA

FUNCTIONAL AREA	GENERAL FUNDS: NET PS AND OTPS	GENERAL FUNDS: PENSION AND FRINGES	GENERAL FUNDS: SUB-TOTAL	REIMBURSABLE FUNDS	TOTAL ALL FUNDS
I. DIRECT INSTRUCTIONAL PROGRAMS	62.1%	26.9%	89.0%	11.0%	100.0%
Classroom Instruction	61.4	26.5	87.9	12.1	100.0
School Supervision and Support	68.3	30.4	99.3	0.7	100.0
Field Supervision	43.2	18.4	61.6	38.4	100.0
II. INDIRECT INSTRUCTIONAL PROGRAMS	55.3%	22.4%	77.7%	22.3%	100.0%
Pupil Personnel Services	54.8	23.9	78.7	21.3	100.0
Planning, Testing, Research and Development Services	57.5	14.4	71.9	28.1	100.0
III. ANCILLARY PUPIL SUPPORT PROGRAMS	85.7%	4.9%	90.6%	9.4%	100.0%
School Safety	47.6	9.2	56.8	43.2	100.0
Pupil Transportation	99.7	0.2	99.9	0.1	100.0
School Lunch	86.2	9.7	95.9	4.1	100.0
Breakfast Program	0.0	0.0	0.0	100.0	100.0
IV. SCHOOL BUILDINGS	89.4%	10.6%	100.0%	0.0%	100.0%
Central and Field Administration and Supervision	81.8	18.2	100.0	0.0	100.0
Planning, Design, Renovation and Construction	78.3	21.7	100.0	0.0	100.0
Operation and Maintenance	90.0	10.0	100.0	0.0	100.0
Custodial Service	86.1	13.9	100.0	0.0	100.0
Maintenance and Repair	86.9	13.1	100.0	0.0	100.0
Leasing and Rental	100.0	0.0	100.0	0.0	100.0
Heat, Light and Power	100.0	0.0	100.0	0.0	100.0
V. CITY AND DISTRICTWIDE ADMINISTRATION	56.3%	16.0%	72.3%	27.7%	100.0%
Overall Administration	55.3	14.3	69.6	30.4	100.0
Instructional Administration/ Supervision	57.8	18.5	76.3	23.7	100.0
VI. MISCELLANEOUS EXPENSES	80.5%	19.5%	100.0%	0.0%	100.0%
VII. DEBT SERVICE	100.0%	0.0%	100.0%	0.0%	100.0%
SUB-TOTAL: BUDGET FOR PUBLIC SCHOOL PUPILS	70.3	20.1	90.4	9.6	100.0%
VIII. NON-PUBLIC AND ADULT EDUCATION	68.3%	0.8%	69.1%	30.9%	100.0%
TOTAL BUDGET	70.3%	19.4%	89.7%	10.3%	100.0%

*The 1978-1979 budget includes all approved and pending modifications through March 23, 1979.

School Enrollment and Per Pupil Expenditures

One important way of making sense out of a $2,899 million school budget -- a figure so large that it even challenges the imagination of the seasoned analyst -- is to convert this total and its constituent parts into per pupil costs. The basic piece of information needed for this purpose is the number of pupils enrolled in the school system.

Based on an actual October 1978 register, the New York City public school enrollment is 997,871. Since services (and therefore the dollars that pay for the services) are sometimes distributed by instructional/organizational level, it is also important to know how the enrollment figure is composed. Of the 997,871 students enrolled in the school system

- 446,694 (45%) are elementary pupils;
- 201,016 (20%) are junior high pupils;
- 303,812 (30%) are high school students;
- 46,349 (5%) are handicapped children enrolled in special education programs.

Pupils enrolled in elementary, junior high and high school special education classes along with home instruction children are included in the special education register. The high school register also includes post-graduate pupils. Excluded from the register figures are pre-kindergarten children, public school students attending private "contract" schools and non-public school pupils.

Per pupil costs have been calculated in two different ways. For certain functional areas (e.g. "direct instructional programs") it is possible to trace dollar allocations to each of the four instructional/organizational levels within the school system. In such cases, the per pupil cost is calculated by dividing the enrollment at each level into the actual dollar allocation for the functional area at that level:

CALCULATING PER PUPIL INSTRUCTIONAL COSTS BY LEVEL

Level	Instructional Expenditure		Enrollment		Per Pupil Cost
Elementary	$706,952,000	÷	446,694	=	$1,583
Junior High	$398,997,000	÷	201,016	=	$1,985
High School	$476,364,000	÷	303,812	=	$1,568
Special Education	$184,704,000	÷	46,349	=	$3,985

The other way of calculating per pupil cost is by dividing the total school system enrollment into the total expenditure for the functional area:

CALCULATING AVERAGE PER PUPIL INSTRUCTIONAL COST

Total Instructional Expenditure		Total Enrollment		Average Per Pupil Cost
$1,767,017,000	÷	997,871	=	$1,771

The distribution of the total budget by instructional/organizational level is shown in Exhibit 6, "Board of Education 1978-1979 Budget, by Organizational Level." The per pupil costs are displayed in Exhibit 7, "Per Pupil Cost by Organizational Level, 1978-1979."

EXHIBIT 6

BOARD OF EDUCATION 1978-1979 BUDGET*
BY ORGANIZATIONAL LEVEL

	FUNCTIONAL AREA	ELEMENTARY	JUNIOR HIGH	HIGH SCHOOL	SPECIAL EDUCATION	TOTAL
I.	DIRECT INSTRUCTIONAL PROGRAMS	$ 706,952,000	$396,997,000	$476,364,000	$184,704,000	$1,767,017,000
	Classroom Instruction	624,928,000	352,558,000	410,185,000	175,713,000	1,563,384,000
	School Supervision and Support	77,454,000	44,754,000	66,010,000	4,713,000	192,939,000
	Field Supervision	4,570,000	1,685,000	161,000	4,278,000	10,694,000
II.	INDIRECT INSTRUCTIONAL PROGRAMS	$ 40,996,000	$ 21,933,000	$ 35,655,000	$ 3,607,000	$ 102,191,000
	Pupil Personnel Services	34,083,000	18,822,000	30,953,000	2,890,000	86,748,000
	Planning, Testing, Research and Development Services	6,913,000	3,111,000	4,702,000	717,000	15,443,000
III.	ANCILLARY PUPIL SUPPORT PROGRAMS	$ 97,033,000	$ 40,425,000	$ 65,584,000	$ 71,431,000	$ 274,473,000
	School Safety	5,474,000	2,823,000	6,922,000	806,000	16,025,000
	Pupil Transportation	18,581,000	8,353,000	32,046,000	64,727,000	123,707,000
	School Lunch	64,996,000	25,663,000	25,003,000	5,231,000	120,893,000
	Breakfast Program	7,982,000	3,596,000	1,613,000	667,000	13,848,000
IV.	SCHOOL BUILDINGS	$ 108,957,000	$ 48,985,000	$ 65,131,000	$ 9,869,000	$ 232,942,000
	Central and Field Administration and Supervision	1,909,000	859,000	1,299,000	198,000	4,265,000
	Planning, Design, Renovation and Construction	3,883,000	1,747,000	2,641,000	403,000	8,674,000
	Operation and Maintenance	103,165,000	46,379,000	61,191,000	9,268,000	220,003,000
	• Custodial Service	58,726,000	26,381,000	34,360,000	4,577,000	124,044,000
	• Maintenance and Repair	16,077,000	7,234,000	10,934,000	1,668,000	35,913,000
	• Leasing and Rental	7,680,000	3,457,000	1,831,000	877,000	13,845,000
	• Heat, Light and Power	20,682,000	9,307,000	14,066,000	2,146,000	46,201,000
V.	CITY AND DISTRICTWIDE ADMINISTRATION	$ 42,167,000	$ 18,974,000	$ 21,233,000	$ 8,591,000	$ 90,965,000
	Overall Administration	24,257,000	10,915,000	16,497,000	2,517,000	54,186,000
	Instructional Administration/ Supervision	17,910,000	8,059,000	4,736,000	6,074,000	36,779,000
VI.	MISCELLANEOUS EXPENSES	$ 27,326,000	$ 12,297,000	$ 18,585,000	$ 2,835,000	$ 61,043,000
VII.	DEBT SERVICE	$ 120,615,000	$ 54,278,000	$ 82,035,000	$ 12,515,000	$ 269,443,000
	SUB-TOTAL: BUDGET FOR PUBLIC SCHOOL PUPILS	$1,144,046,000	$595,889,000	$764,587,000	$293,552,000	$2,798,074,000
VIII.	NON-PUBLIC AND ADULT EDUCATION	$ 45,293,000	$ 20,383,000	$ 30,806,000	$ 4,700,000	$ 101,182,000
	TOTAL BUDGET	$1,189,339,000	$616,272,000	$795,393,000	$298,252,000	$2,899,256,000
	PERCENT OF TOTAL	41.0%	21.3%	27.4%	10.3%	100.0%

*Notes:
- The budget condition includes all approved and pending modifications through March 23, 1979.
- All amounts rounded to nearest $1,000.
- Budget figures comprise all funding sources.
- Pension and fringe costs appear in related functional areas.
- Instances where funds are not budgeted by specific organizational level, dollars are prorated by register.

EXHIBIT 7

PER PUPIL COST BY ORGANIZATIONAL LEVEL*
1978-1979

	FUNCTIONAL AREA	ELEMENTARY	JUNIOR HIGH	HIGH SCHOOL	SPECIAL EDUCATION	ALL LEVELS
I.	DIRECT INSTRUCTIONAL PROGRAMS	$ 1,483	$ 1,985	$ 1,568	$ 3,985	$ 1,771
	Classroom Instruction	1,391	1,754	1,350	3,791	1,567
	School Supervision and Support	174	223	217	102	193
	Field Supervision	10	8	1	92	11
II.	INDIRECT INSTRUCTIONAL PROGRAMS	$ 92	$ 109	$ 117	$ 78	$ 102
	Pupil Personnel Services	77	94	102	63	87
	Planning, Testing, Research and Development Services	15	15	15	15	15
III.	ANCILLARY PUPIL SUPPORT PROGRAMS	$ 218	$ 202	$ 215	$ 1,541	$ 275
	School Safety	12	14	23	17	16
	Pupil Transportation	42	42	105	1,397	124
	School Lunch	146	128	82	113	121
	Breakfast Program	18	18	5	14	14
IV.	SCHOOL BUILDINGS	$ 244	$ 244	$ 214	$ 213	$ 233
	Central and Field Administration and Supervision	4	4	4	4	4
	Planning, Design, Renovation and Construction	9	9	9	9	9
	Operation and Maintenance	231	231	201	200	220
	• Custodial Service	132	132	113	99	124
	• Maintenance and Repair	36	36	36	36	36
	• Leasing and Rental	17	17	6	19	14
	• Heat, Light and Power	46	46	46	46	46
V.	CITY AND DISTRICTWIDE ADMINISTRATION	$ 94	$ 94	$ 70	$ 185	$ 91
	Overall Administration	54	54	54	54	54
	Instructional Administration/ Supervision	40	40	16	131	37
VI.	MISCELLANEOUS EXPENSES	$ 61	$ 61	$ 61	$ 61	$ 61
VII.	DEBT SERVICE	$ 270	$ 270	$ 270	$ 270	$ 270
	SUB-TOTAL: BUDGET FOR PUBLIC SCHOOL PUPILS	$ 2,562	$ 2,965	$ 2,515	$ 6,333	$ 2,803
VIII.	NON-PUBLIC AND ADULT EDUCATION	$ 101	$ 101	$ 101	$ 101	$ 101
	TOTAL BUDGET	$ 2,663	$ 3,066	$ 2,616	$ 6,434	$ 2,904
	OCTOBER 1978 REGISTER	446,694	201,016	303,812	46,349	997,871

*Notes:
- The budget condition includes all approved and pending modifications through March 23, 1979.
- Per pupil costs reflect all funding sources.
- Pension and fringe benefit costs appear in related functional areas.
- Instances where funds are not budgeted by specific level, dollars are prorated by register.
- The elementary, junior high and high school October 1978 registers include regular grade, K-12 pupils. Post graduate pupils are also counted in the high school register. Students in special education classes and schools, and home instruction pupils make up the special education register. Excluded are 2,294 pre-kindergarten children.

Though both of the expenditure per pupil calculations discussed above are useful ways of understanding the budget, if taken too literally they yield information that is somewhat misleading. Within each of the functional areas, the school system offers a variety of different programs. Depending on the particular program (e.g. Title 1, school lunch, pupil transportation), some students are served but others are not. This means that there are, in fact, significant cost differentials among students within a given instructional/organizational level. Take, for example, the case of special education. For handicapped children in the school system the average per pupil cost is $6,333. But among handicapped children, actual costs vary from $4,342 for the educable mentally retarded to $12,609 for the neurologically impaired.*

*The Cost of Educating Handicapped Pupils in New York City, "Office of the Deputy Chancellor, New York City Board of Education, January 1977, pp. 30, 31.

SECTION II

FOCUS ON TOTAL EXPENDITURES FOR PUBLIC SCHOOL PUPILS

The Board of Education for the present 1978-1979 fiscal year will expend over $2.7 billion for public school students. This represents an average pupil expenditure of $2,803. These funds provide for cost items in the following functional areas:

- Direct Instructional Programs
- Indirect Instructional Programs
- Ancillary Pupil Support Programs
- School Buildings
- City and Districtwide Administration
- Miscellaneous Expenses
- Debt Service

(Excluded is the functional area for non-public and adult education. This area, with a budget of $101 million, combined with the above functional areas, yields the total Board of Education budget of $2,899 million.)

The figures and definitions appearing in this section are extracted from the Appendix.

Sources of Funding

General funds for personal and other than personal service expenditures (used for direct salary payments, supplies, equipment, books, fuel and debt service) account for 70% of the budget for public school pupils.

BUDGET FOR PUBLIC SCHOOL PUPILS: 1978-1979

	AMOUNT ($ 1,000,000)	PERCENT	AVERAGE COST*
GENERAL FUND: PS AND OTPS	$ 1,967	70 %	$ 1,971 Per Pupil
GENERAL FUND: PENSION AND FRINGES	562	20	563
GENERAL FUND: SUB-TOTAL	$ 2,529	90 %	$ 2,534 Per Pupil
REIMBURSABLE FUNDS	269	10	269
TOTAL BUDGET	$ 2,798	100 %	$ 2,803 Per Pupil

* Based on the October 1978 register of 997,871 pupils.

The general fund cost of providing pensions, social security, health and welfare benefits is, on the average, over $563 per pupil.

Reimbursable funds account for 10% or $269 million of the budget for public school pupils. This equates to an average per pupil cost of $269.

Instructional/Organizational Level Costs

The budget for public school pupils can also be divided into instructional/organizational level costs (i.e. costs for elementary, junior high, high school and special education). Among the regular grade pupils, the

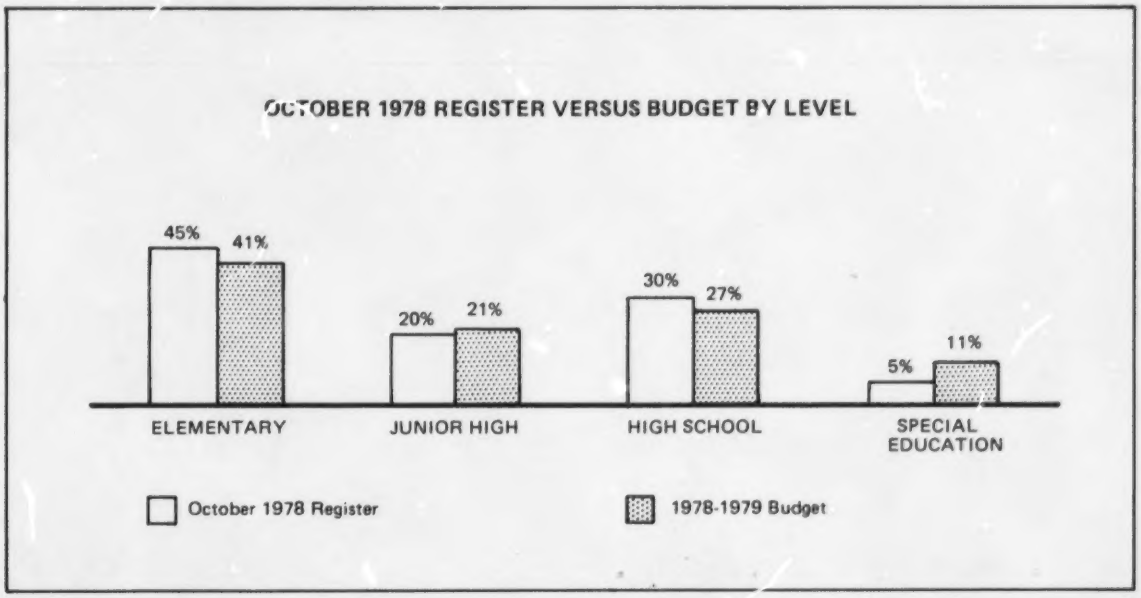
INSTRUCTIONAL/ORGANIZATIONAL BUDGET FOR PUBLIC SCHOOL PUPILS: 1978-1979

	Elementary	Junior High	High School	Special Education	All Levels
BUDGET (in $ 1,000,000)	$ 1,144	$ 596	$ 765	$ 293	$ 2,798
PERCENT	41 %	21 %	27 %	11 %	100 %
OCTOBER 1978 REGISTER	446,694	201,016	303,812	46,349	997,871
PERCENT	45 %	20 %	30 %	5 %	100 %
AVERAGE PER PUPIL COST	$ 2,562	$ 2,965	$ 2,515	$ 6,333	$ 2,803

junior high students have the greatest per pupil cost -- $2,965. The high school per capita at $2,515 per pupil is $450 below the junior high amount and $50 lower than the elementary school per pupil cost of $2,562.

The elementary level has the largest percent of pupils -- 45%, and as a result the greatest share of the budget -- $1,144 million or 41%.

The uniqueness of special education programs with its small class size and high transportation expenses yields a $6,333 per pupil cost, more



than twice the amount for any of the other levels. This contrast can be gleaned by comparison of the percent of register with the percent of budget. Special education receives twice the percent of budget, 11%, as its proportion of pupils, 5%.

SECTION III

FOCUS ON DIRECT INSTRUCTIONAL PROGRAMS

By far, the largest functional area in the Board of Education is direct instructional programs. Sixty-one percent of the total budget is devoted to this area.

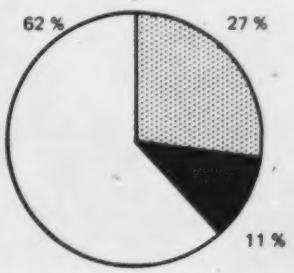
This functional area, the nucleus of all pupil instruction, includes the cost of personnel, such as: teacher, paraprofessional, assistant principal and principal. It also includes cost for textbooks, supplies, equipment and other instructional OTPS items.

The figures and definitions appearing in this section are extracted from the Appendix.

Source of Funding

Sixty-two percent or $1,097 million of the direct instructional budget

DIRECT INSTRUCTIONAL PROGRAMS
FUNDING SOURCE AND EXPENDITURE CATEGORIES
1978-1979



	Amount ($1,000,000)	Percent	Average Cost *	
GENERAL FUND: PS and OTPS	$ 1,097	62 %	$ 1,099	per pupil
GENERAL FUND: Pension and Fringes	475	27	476	
REIMBURSABLE FUNDS	195	11	196	
TOTAL	$ 1,767	100 %	$ 1,771	per pupil

* Based on the October 1978 register of 997,871 pupils.

is general fund personal and other than personal services. This covers the cost of direct salaries and of textbooks, supplies and equipment. The cost component averages to $1,099 per pupil.

The balance of general funds -- $475 million -- pays for pension, social security, health and welfare benefits. These benefits cost an average of $476 per pupil.

The reimbursable portion is 11% of direct instructional programs. This funding source averages to $196 per pupil.

Cost Components

Direct instructional programs are divided into three cost components:

- Classroom instruction: direct instructional services provided primarily by classroom teachers, paraprofessionals and aides.*
- School supervision and support: school principals, assistant principals** and school secretaries.
- Field supervision: pedagogical personnel who provide grade level and subject area supervisory services primarily to classroom teachers.

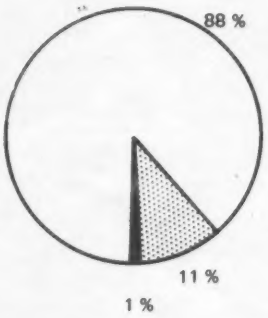
Included in these cost components are other than personal service instructional items, such as supplies, equipment and textbooks. Also in school supervision and support are postage and telephone costs.

*For special education only, guidance counselors are included because they are an integral part of the basic instructional program at that level.

**In addition to their supervisory duties, most assistant principals provide classroom instruction.

Spreading the budget for direct instructional programs among these cost

DIRECT INSTRUCTIONAL PROGRAMS BY COST COMPONENTS
1978-1979



	Amount ($1,000,000)	Percent	Average Cost *
CLASSROOM INSTRUCTION	$ 1,563	88 %	$ 1,567 per pupil
SCHOOL SUPERVISION	193	11	193
FIELD SUPERVISION	11	1	11
TOTAL	$ 1,767	100 %	$ 1,771 per pupil

* Based on the October 1978 register of 997,871.

components shows that the bulk of the funds, 88%, goes to classroom instruction. This generates an average cost of $1,567 per pupil. School supervision and field supervision are 11% ($193 per pupil) and 1% ($11 per pupil) respectively.

Instructional/Organizational Level

The direct instructional program costs are clearly defined between the instructional/organizational levels.

The average per pupil cost produces an interesting result: high schools have the lowest per pupil cost, lower than the other three organizational levels.

INSTRUCTIONAL/ORGANIZATIONAL BUDGET FOR DIRECT INSTRUCTIONAL PROGRAMS: 1978-1979

	Elementary	Junior High	High School	Special Education	All Levels
BUDGET (in $ 1,000,000)	$ 707	$ 399	$ 476	$ 185	$ 1,767
REGISTER	446,694	201,016	303,812	46,349	997,871
AVERAGE COST PER PUPIL	$ 1,583	$ 1,985	$ 1,568	$ 3,985	$ 1,771

The high school cost is $1,568 per pupil, while the elementary cost per pupil is $1,583, junior high, $1,985 and special education, $3,985.

The high cost of educating special education pupils is exemplified by their $3,985 per pupil cost, a figure more than twice the amount of any other organizational level. Special education classes receive some additional supervision and support from elementary, junior high and high school prinicpals, assistant principals and school secretaries. These services, however, could not be segregated and therefore are not included under the special education organizational level.

SECTION IV

FOCUS ON CITY AND DISTRICTWIDE ADMINISTRATION

About three cents out of every dollar is expended for city and districtwide administration. This functional area has two major cost components and several sub-cost components:

- Overall Administration
  - . Board of Education
  - . General Administration
  - . Personnel
  - . Board of Examiners
  - . Community School District Affairs
  - . Business and Administration
  - . Reimbursable Offices
- Instructional Administration/Supervision
  - . District Office
  - . High School Office
  - . Special Education Office

The definitions of these cost components and their dollar amounts are extracted from the Appendix.

Overall administration has been allocated equally to all instructional/organizational levels. Consequently, the cost per pupil for all levels is identical.

CITY AND DISTRICTWIDE ADMINISTRATION: 1978-1979

	Budget ($ 1,000,000)	Register	Average Cost Per Pupil		
			Total	Overall Administration	Instructional Administration
ELEMENTARY	$ 42	446,694	$ 94	$ 54	$ 40
JUNIOR HIGH	19	201,016	94	54	40
HIGH SCHOOL	21	303,812	70	54	16
SPECIAL EDUCATION	9	46,349	185	54	131
ALL LEVELS	$ 91	997,871	$ 91	$ 54	$ 37

This averages to $54 per pupil. Instructional administration/supervision is more clearly defined. This cost component yields per pupil cost of $40 for elementary and junior high (district office), $16 for high school and $131 for special education.

APPENDIX

EXPLANATION OF FUNCTIONAL AREAS AND COST COMPONENTS

In this report we have organized the Board of Education's budget into eight major functional areas:

- Direct Instructional Programs
- Indirect Instructional Programs
- Ancillary Pupil Support Programs
- School Buildings
- City and Districtwide Administration
- Miscellaneous Expenses
- Debt Service
- Non-Public and Adult Education

Each of the areas listed above is associated with a major educational, administrative, operational, or financial function. Within each of these areas, there are a number of discrete, though interrelated, cost components. The four pages of Exhibit 8, "Explanation of Functional Areas and Cost Components," define these functional areas and cost components.

The distribution of the total education dollars for 1978-1979 by functional areas and cost components along with source of funding is displayed in the four part Exhibit 9, "Board of Education Budget: 1978-1979, Functional Area, Funding Source, and Organizational Level."

EXHIBIT B

EXPLANATION OF FUNCTIONAL AREAS AND COST COMPONENTS

FUNCTIONAL AREAS AND COST COMPONENTS	EXPLANATION
I. DIRECT INSTRUCTIONAL PROGRAMS	
A. Classroom Instruction Elementary Junior High High Schools Special Education	At all levels, direct instructional services provided primarily by classroom teachers, paraprofessionals, and aides. Also, in special education, guidance counselors are included since they are an integral part of the basic instructional program at that level.
B. School Supervision and Support Elementary Junior High High Schools Special Education	At all levels, school based personnel: school principals, assistant principals and school secretaries; also other than personal services including postage and telephone communications. (Most assistant principals in addition to their supervisory duties, provide classroom instruction.)
C. Field Supervision Elementary Junior High High Schools Special Education	District, high school and special education pedagogical personnel who provide grade level and subject area supervisory services primarily to classroom teachers. These personnel provide services to more than one school.
II. INDIRECT INSTRUCTIONAL PROGRAMS	
A. Pupil Personnel Services	
Attendance Field Service Administration/Supervision	All attendance teachers; administrative and field supervisory personnel assigned to the Bureau of Attendance.
Guidance Counseling Elementary Junior High High Schools Special Education	All elementary, junior high, and high school guidance counselors; some special education guidance counselors from reimbursable programs
Social and Psychological	Services provided by social workers, psychologists, and other personnel assigned to the Bureau of Child Guidance.
Drug Abuse Program	Counseling services provided by personnel assigned to the system-wide drug abuse program.
Pupil Personnel Services - Administration	Costs associated with the administration of pupil personnel services.
B. Planning, Testing, Research and Development Services	
Educational Performance and Accountability	Research and administrative staff assigned to the Office of Educational Performance and Accountability, responsible for implementation of longitudinal study aimed at identifying factors involved in educational achievement as a basis for organizing effective approaches to corrective action in the schools.
Educational Evaluation	Research and administrative staff assigned to the Office of Educational Evaluation, responsible for monitoring pupil achievement in basic subject areas on a system-wide basis.
Educational Planning and Support	Personnel assigned to the Division of Educational Planning and Support, responsible for providing curriculum planning and staff development services on a system-wide basis. Also includes program scheduling for high school students.
Guidance Planning	Guidance planning services provided by personnel assigned to the Office of Educational and Vocational Guidance.

EXPLANATION OF FUNCTIONAL AREAS AND COST COMPONENTS

FUNCTIONAL AREAS AND COST COMPONENTS	EXPLANATION
III. ANCILLARY PUPIL SUPPORT PROGRAMS	
A. School Safety and Security Elementary Junior High High Schools Special Education Field Supervision Administration/Supervision	School security guards, guard supervisors, and personnel assigned to the Office of School Safety.
B. Pupil Transportation Elementary Junior High High Schools Special Education Administration/Supervision	Other than personal service costs for transporting pupils to and from school. Personnel assigned to the Bureau of Pupil Transportation; responsible for routing, scheduling, issuance of common carrier tickets, and monitoring eligibility for contract bus and common carrier.
C. School Lunch Elementary Junior High High Schools Special Education Administration/Supervision Summer Feeding and Nutrition Program	Personnel assigned to the Office of School Food Services, field supervisors, and school lunch workers; major part of OTPS represents the cost of food. Also summer feeding and nutritional information programs.
D. Breakfast Program Elementary Junior High High Schools Special Education	School breakfast workers in program administered and operated by the districts; major part of OTPS represents the cost of food.
IV. SCHOOL BUILDINGS	
A. Central and Field Administration and Supervision	Administrative staff members responsible for management of Division of School Buildings. Also includes postage and telephone costs for the division and systemwide motor vehicle services.
B. Planning, Design, Renovation and Construction Field Supervision Administration/Supervision	Architects and engineers responsible for facilities planning, building design, renovation and construction (including the Bureau of Design, Bureau of Construction, and the Bureau of Modernization.)
C. Operation and Maintenance Custodial Service Elementary Junior High High Schools Special Education Other Buildings Field Supervision	Custodians and custodial helpers for the operation of school buildings during and after the school day (also contract schools). District and borough custodial supervision.

EXPLANATION OF FUNCTIONAL AREAS AND COST COMPONENTS

FUNCTIONAL AREAS AND COST COMPONENTS	EXPLANATION
Maintenance and Repair	Maintenance and repair personnel, field supervisors, and administrative staff assigned to the Bureau of Maintenance.
Field Service Field Supervision Administration/Supervision	
Leasing and Rentals	The cost of leases and rentals for buildings used primarily for instructional purposes.
Elementary Junior High High Schools Special Education Other	
Heat, Light and Power	The cost of coal and oil for steam boilers in school buildings. The cost of electricity and steam provided through the New York City Municipal Services Administration. Also, the cost of water.
Coal and Oil Electricity and Steam Heat	
V. CITY AND DISTRICTWIDE ADMINISTRATION	
A. Overall Administration	
Board of Education	Members of the Board and their staff, Secretary to the Board and its staff, and personnel assigned to the Office of Legislative Affairs.
General Administration	Personnel assigned to the Office of the Chancellor and to the Office of the Deputy Chancellor (including Project Management Unit, Office of Budget Operations and Review, Office of Educational Statistics, Office of Labor Relations, Office of Auditor General, Office of Equal Opportunity, and Office of Legal Services).
Personnel	Staff assigned to the Division of Personnel (including Office of Appeals and Review, Office of College and Community Liaison, Office of Field Services, Office of Administrative Personnel, Office of Pedagogical Personnel, Bureau of Teacher Status and Records, Office of Staff Services, Bureau of Health and Welfare Services, Medical Bureau, Office of Salary Differential and Status).
Board of Examiners	Members of the Board of Examiners and their staff.
Community School District Affairs	Personnel assigned to the Division of Community School District Affairs (including the Central Zoning Unit, Office of Intergroup Education and Human Relations and Office of Public Affairs).
Business Administration	Personnel assigned to the Division of Business and Administration (including the Office of Financial Operations, Bureau of Cash Management, Bureau of Pedagogical Payroll, Bureau of Non-Pedagogical Payroll, Bureau of Accounts Payable, Bureau of Accounting, Bureau of Retirement Claims, Bureau of Engineering Audit, Office of Management Analysis, Office of Supportive Services, Bureau of Administrative Services and Bureau of Supplies).
Reimbursable Offices	Personnel assigned to the Office of Funded Programs, Bureau of Special State and Federal Programs and Monitoring Task Force Bureau. Costs for coordination of ESEA Title I, program development and evaluation follow-up. Also included are non-instructional CETA positions located in central, district, high school and special education offices.

EXHIBIT 8

EXPLANATION OF FUNCTIONAL AREAS AND COST COMPONENTS

FUNCTIONAL AREAS AND COST COMPONENTS	EXPLANATION
B. Instructional Administration/Supervision	
District Office	Community school district superintendents, district office administrative and business personnel; staff serving community school board members; also includes districtwide indirect administrative cost for federally funded programs.
High School Office	Systemwide administrative staff assigned to the Division of High Schools (includes Office of High School Superintendents, Office of High School Pupil Services, Office of High School Organization and Budget Planning, Office of Cooperative Education and Office of Continuing Education); also includes indirect administrative costs for federally funded programs.
Special Education Office	Systemwide administrative personnel assigned to the Division of Special Education (includes Bureau for Education of Physically Handicapped, Bureau for Children with Retarded Mental Development, Bureau for Socially Maladjusted and Emotionally Disturbed, Bureau for Visually Handicapped, Bureau for Hearing Handicapped, Bureau for Speech Improvement, Classes for Neurologically Impaired-Emotionally Handicapped, Evaluation and Placement Unit, and Integrated Programs); also includes indirect administrative costs for federally funded programs.
VI. MISCELLANEOUS EXPENSES	
A. Sabbatical, Leave in Lieu and Terminal Pay	The cost of district, high school, special education and central personnel who are on sabbatical leave, on leave in lieu of sabbatical leave, on terminal leave or who are receiving terminal pay.
B. Unemployment and Compensation	The costs for unemployment insurance, workmen's compensation and disability insurance.
C. Collective Bargaining Reserves	Funding to provide payment of contractual obligations not yet scheduled.
D. Back Pay for Prior Years	Funds for retroactive payments for prior fiscal years.
E. Miscellaneous Costs	Judgement and Claims, Paraprofessional Training Program and mandatory and essential departmentwide costs for salary and cost adjustments.
VII. DEBT SERVICE	Cost of the redemption and amortization of bonds floated by the City.
VIII. NON-PUBLIC AND ADULT EDUCATION	
A. Instructional Services	Speech services provided to non-public school students and textbooks provided through the New York State Textbook Law; federal ESEA Title I programs.
B. Non-Instructional Services	Attendance, transportation and school lunch services provided to non-public school pupils and indirect administrative costs for federally funded programs.
C. Fashion Institute of Technology	Cost to the City for the operation of the Fashion Institute of Technology.
D. Payments to Other School Districts	Payments to private "contract" schools; payments for special schooling and tuition payments for out-of-city foster care.
E. Adult Education	Providing educational programs to adults for high school equivalency, basic education including English as a second language, and occupational and vocational education.

EXHIBIT 9

BOARD OF EDUCATION BUDGET: 1978-1979*
FUNCTIONAL AREA, FUNDING SOURCE, AND ORGANIZATIONAL LEVEL

FUNCTIONAL AREA	GENERAL FUNDS NET PS AND OTPS	GENERAL FUNDS PENSION & FRINGES	GENERAL FUNDS SUB-TOTAL	REIMBURSABLE FUNDS	TOTAL BUDGET AMOUNT	TOTAL BUDGET PERCENT
I. DIRECT INSTRUCTIONAL PROGRAMS	$1,096,990,000	$475,045,000	$1,572,035,000	$194,982,000	$1,767,017,000	61.0%
A. Classroom Instruction	$ 959,488,000	$414,370,000	$1,373,858,000	$189,526,000	$1,563,384,000	53.9%
Elementary	373,957,000	160,504,000	534,461,000	90,467,000	624,928,000	21.5
Junior High	216,768,000	95,145,000	311,913,000	40,645,000	352,558,000	12.2
High School	255,376,000	110,702,000	366,078,000	44,107,000	410,185,000	14.1
Special Education	113,387,000	48,019,000	161,406,000	14,307,000	175,713,000	6.1
B. School Supervision and Support	$ 132,883,000	$ 58,705,000	$ 191,588,000	$ 1,351,000	$ 192,939,000	6.7%
Elementary	53,392,000	23,389,000	76,781,000	673,000	77,454,000	2.7
Junior High	30,900,000	13,551,000	44,451,000	303,000	44,754,000	1.5
High School	45,539,000	20,360,000	65,899,000	119,000	66,018,000	2.3
Special Education	3,052,000	1,405,000	4,457,000	256,000	4,713,000	0.2
C. Field Supervision	$ 4,619,000	$ 1,970,000	$ 6,589,000	$ 4,105,000	$ 10,694,000	0.4%
Elementary	1,559,000	610,000	2,169,000	2,401,000	4,570,000	0.2
Junior High	450,000	157,000	607,000	1,078,000	1,685,000	0.1
High School	0	0	0	161,000	161,000	**
Special Education	2,610,000	1,203,000	3,813,000	465,000	4,278,000	0.1
II. INDIRECT INSTRUCTIONAL PROGRAMS	$ 56,453,000	$ 22,925,000	$ 79,378,000	$ 22,813,000	$ 102,191,000	3.5%
A. Pupil Personnel Services	$ 47,575,000	$ 20,703,000	$ 68,278,000	$ 18,470,000	$ 86,748,000	3.0%
Attendance	5,313,000	2,330,000	7,643,000	0	7,643,000	0.3
Field Service	(3,914,000)	(1,812,000)	(5,726,000)	(0)	(5,726,000)	(0.2)
Administration/Supervision	(1,399,000)	(518,000)	(1,917,000)	(0)	(1,917,000)	(0.1)
Guidance and Counseling	21,006,000	9,610,000	30,616,000	6,930,000	37,546,000	1.2
Elementary	(7,059,000)	(3,138,000)	(10,197,000)	(1,860,000)	(12,057,000)	(0.4)
Junior High	(5,512,000)	(2,563,000)	(8,075,000)	(836,000)	(8,911,000)	(0.3)
High School	(8,324,000)	(3,857,000)	(12,181,000)	(3,792,000)	(15,973,000)	(0.5)
Special Education	(111,000)	(52,000)	(163,000)	(442,000)	(605,000)	(**)
Social and Psychological	20,999,000	8,672,000	29,671,000	1,109,000	30,780,000	1.1
Pupil Personnel Services - Administration	257,000	91,000	348,000	0	348,000	**
Drug Program	0	0	0	10,431,000	10,431,000	0.4
B. Planning, Testing, Research and Development Services	$ 8,878,000	$ 2,222,000	$ 11,100,000	$ 4,343,000	$ 15,443,000	0.5%
Educational Performance and Accountability	176,000	61,000	237,000	0	237,000	**
Educational Evaluation	1,151,000	216,000	1,367,000	1,228,000	2,595,000	0.1
Educational Planning and Support	7,252,000	1,845,000	9,097,000	3,115,000	12,212,000	0.4
Guidance Planning	299,000	100,000	399,000	0	399,000	**

EXHIBIT 9

BOARD OF EDUCATION BUDGET: 1978-1979*
FUNCTIONAL AREA, FUNDING SOURCE, AND ORGANIZATIONAL LEVEL

FUNCTIONAL AREA	GENERAL FUNDS: NET PS AND OTPS	GENERAL FUNDS: PENSION & FRINGES	GENERAL FUNDS: SUB-TOTAL	REIMBURSABLE FUNDS	TOTAL BUDGET: AMOUNT	TOTAL BUDGET: PERCENT
III. ANCILLARY PUPIL SUPPORT PROGRAMS	$ 235,282,000	$ 13,445,000	$ 248,727,000	$ 25,746,000	$ 274,473,000	9.5%
A. School Safety and Security	$ 7,627,000	$ 1,481,000	$ 9,108,000	$ 6,917,000	$ 16,025,000	0.6%
Elementary	1,697,000	336,000	2,033,000	3,099,000	5,132,000	0.2
Junior High	1,069,000	210,000	1,279,000	1,390,000	2,669,000	0.1
High School	3,826,000	760,000	4,586,000	2,103,000	6,689,000	0.3
Special Education	372,000	74,000	446,000	325,000	771,000	**
Field Supervision	155,000	41,000	196,000	0	196,000	**
Administration/Supervision	508,000	60,000	568,000	0	568,000	**
B. Pupil Transportation	$ 123,369,000	$ 275,000	$ 123,644,000	$ 63,000	$ 123,707,000	4.3%
Elementary	17,855,000	0	17,855,000	0	17,855,000	0.6
Junior High	8,026,000	0	8,026,000	0	8,026,000	0.3
High School	31,552,000	0	31,552,000	0	31,552,000	1.1
Special Education	64,652,000	0	64,652,000	0	64,652,000	2.2
Administration/Supervision	1,284,000	275,000	1,559,000	63,000	1,622,000	0.1
C. School Lunch	$ 104,286,000	$ 11,689,000	$ 115,975,000	$ 4,918,000	$ 120,893,000	4.2%
Elementary	54,321,000	5,219,000	59,540,000	0	59,540,000	2.0
Junior High	21,001,000	2,207,000	23,208,000	0	23,208,000	0.8
High School	19,084,000	2,209,000	21,293,000	0	21,293,000	0.7
Special Education	4,280,000	385,000	4,665,000	0	4,665,000	0.2
Administration/Supervision	5,600,000	1,669,000	7,269,000	406,000	7,675,000	0.3
Summer Feed & Nutrition Program	0	0	0	4,512,000	4,512,000	0.2
D. Breakfast Program	$ 0	$ 0	$ 0	$ 13,848,000	$ 13,848,000	0.4%
Elementary	0	0	0	7,982,000	7,982,000	0.2
Junior High	0	0	0	3,586,000	3,586,000	0.1
High School	0	0	0	1,613,000	1,613,000	0.1
Special Education	0	0	0	667,000	667,000	***

*Notes on the 1978-1979 Budget:
- The budget condition includes all approved and pending modifications through March 23, 1979.
- Dollar figures are rounded to the nearest $1,000.
- Instances where funds are not budgeted by specific level, dollars are prorated by register.

EXHIBIT 9

BOARD OF EDUCATION BUDGET: 1978-1979*
FUNCTIONAL AREA, FUNDING SOURCE, AND ORGANIZATIONAL LEVEL

FUNCTIONAL AREA	GENERAL FUNDS: NET PS AND OTPS	GENERAL FUNDS: PENSION & FRINGES	GENERAL FUNDS: SUB-TOTAL	REIMBURSABLE FUNDS	TOTAL BUDGET: AMOUNT	TOTAL BUDGET: PERCENT
IV. SCHOOL BUILDINGS	$ 208,344,000	$ 24,598,000	$ 232,942,000	$ 0	$ 232,942,000	8.0%
A. Central and Field Administration and Supervision	$ 3,489,000	$ 776,000	$ 4,265,000	$ 0	$ 4,265,000	0.1%
B. Planning, Design, Renovation and Construction	$ 6,793,000	$ 1,881,000	$ 8,674,000	$ 0	$ 8,674,000	0.3%
Field Supervision	1,612,000	436,000	2,048,000	0	2,048,000	0.1
Administration/Supervision	5,181,000	1,445,000	6,626,000	0	6,626,000	0.2
C. Operation and Maintenance	$ 198,062,000	$ 21,941,000	$ 220,003,000	$ 0	220,003,000	7.6%
Custodial Service	106,799,000	17,245,000	124,044,000	0	124,044,000	4.3
Elementary	(47,248,000)	(8,563,000)	(55,811,000)	(0)	(55,811,000)	(2.0)
Junior High	(21,225,000)	(3,845,000)	(25,070,000)	(0)	(25,070,000)	(0.9)
High School	(29,261,000)	(3,117,000)	(32,378,000)	(0)	(32,378,000)	(1.1)
Special Education	(3,723,000)	(552,000)	(4,275,000)	(0)	(4,275,000)	(0.1)
Other Buildings	(4,354,000)	(904,000)	(5,258,000)	(0)	(5,258,000)	(0.2)
Field Supervision	(988,000)	(264,000)	(1,252,000)	(0)	(1,252,000)	(**)
Maintenance and Repair	31,217,000	4,696,000	35,913,000	0	35,913,000	1.2
Field Service	(26,752,000)	(3,467,000)	(30,219,000)	(0)	(30,219,000)	(1.0)
Field Supervision	(2,692,000)	(738,000)	(3,430,000)	(0)	(3,430,000)	(0.1)
Administration/Supervision	(1,773,000)	(491,000)	(2,264,000)	(0)	(2,264,000)	(0.1)
Leasing and Rentals	13,845,000	0	13,845,000	0	13,845,000	0.5
Elementary	(6,951,000)	(0)	(6,951,000)	(0)	(6,951,000)	(0.2)
Junior High	(3,128,000)	(0)	(3,128,000)	(0)	(3,128,000)	(0.1)
High School	(1,334,000)	(0)	(1,334,000)	(0)	(1,334,000)	(0.1)
Special Education	(801,000)	(0)	(801,000)	(0)	(801,000)	(**)
Other	(1,631,000)	(0)	(1,631,000)	(0)	(1,631,000)	(0.1)
Heat, Light and Power	46,201,000	0	46,201,000	0	46,201,000	1.6
Coal and Oil	(20,723,000)	(0)	(20,723,000)	(0)	(20,723,000)	0.7
Electricity and Steam Heat	(25,478,000)	(0)	(25,478,000)	(0)	(25,478,000)	0.9
V. CITY AND DISTRICTWIDE ADMINISTRATION	$ 51,229,000	$ 14,550,000	$ 65,779,000	$ 25,186,000	$ 90,965,000	3.1%
A. Overall Administration	$ 29,965,000	$ 7,740,000	$ 37,705,000	$ 16,481,000	$ 54,186,000	1.8%
Board of Education	1,502,000	294,000	1,796,000	75,000	1,871,000	0.1
General Administration	6,774,000	1,961,000	8,735,000	2,824,000	11,559,000	0.4
Personnel	4,060,000	1,201,000	5,261,000	619,000	5,880,000	0.2
Board of Examiners	2,488,000	622,000	3,110,000	51,000	3,161,000	0.1
Community School District Affairs	1,289,000	423,000	1,712,000	92,000	1,804,000	0.1
Business Administration	13,852,000	3,239,000	17,091,000	7,442,000	24,533,000	0.7
Reimbursable Offices	0	0	0	5,378,000	5,378,000	0.2
B. Instructional Admin/Supervision	$ 21,264,000	$ 6,810,000	$ 28,074,000	$ 8,705,000	$ 36,779,000	1.3%
District Office	14,564,000	4,741,000	19,305,000	6,664,000	25,969,000	0.9
High School Office	2,633,000	889,000	3,522,000	1,214,000	4,736,000	0.2
Special Education Office	4,067,000	1,180,000	5,247,000	827,000	6,074,000	0.2

EXHIBIT 9

BOARD OF EDUCATION BUDGET: 1978-1979*
FUNCTIONAL AREA, FUNDING SOURCE, AND ORGANIZATIONAL LEVEL

FUNCTIONAL AREA	GENERAL FUNDS: NET PS AND OTPS	GENERAL FUNDS: PENSION & FRINGES	GENERAL FUNDS: SUB-TOTAL	REIMBURSABLE FUNDS	TOTAL BUDGET: AMOUNT	TOTAL BUDGET: PERCENT
VI. MISCELLANEOUS EXPENSES	$ 49,123,000	$ 11,920,000	$ 61,043,000	$ 0	$ 61,043,000	2.1%
A. Sabbatical, Leave in Lieu and Termination Pay	27,646,000	11,920,000	39,566,000	0	39,566,000	1.4
B. Unemployment and Compensation	8,362,000	0	8,362,000	0	8,362,000	0.3
C. Collective Bargaining Reserves	3,700,000	0	3,700,000	0	3,700,000	0.1
D. Back Pay for Prior Years	5,920,000	0	5,920,000	0	5,920,000	0.2
E. Miscellaneous Costs	3,495,000	0	3,495,000	0	3,495,000	0.1
VII. DEBT SERVICE	$ 269,443,000	$ 0	$ 269,443,000	$ 0	$ 269,443,000	9.3%
SUB-TOTAL: BUDGET FOR PUBLIC SCHOOL PUPILS	$1,966,864,000	$562,483,000	$2,529,347,000	$268,727,000	$2,798,074,000	96.5%
VIII. NON-PUBLIC AND ADULT EDUCATION	$ 69,076,000	$ 793,000	$ 69,869,000	$ 31,313,000	$ 101,182,000	3.5%
A. Instructional Services	5,106,000	0	5,106,000	10,283,000	15,389,000	0.5
B. Non-Instructional Services	39,016,000	793,000	39,809,000	284,000	40,093,000	1.4
C. Fashion Institute of Technology	5,911,000	0	5,911,000	0	5,911,000	0.2
D. Payments to Other School Districts	19,043,000	0	19,043,000	0	19,043,000	0.7
E. Adult Education	0	0	0	20,746,000	20,746,000	0.7
TOTAL	$2,035,940,000	$563,276,000	$2,599,216,000	$300,040,000	$2,899,256,000	100.0%

*Notes on the 1978-1979 Budget:
- The budget condition includes all approved and pending modifications through March 23, 1979.
- Dollar figures are rounded to the nearest $1,000.
- Instances where funds are not budgeted by specific level, dollars are prorated by register.